Hagerstown Bank Hagerstown, Maryland Washington Co.

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## PHOTOGRAPHS

WRITTEN HISTORICAL AND DESCRIPTIVE DATA

HISTORIC AMERICAN BUILDINGS SURVEY John H. Scarff, District Officer 1012 Keyser Building, Baltimore, Maryland.

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22 HAGTO

## HAGERSTOWN BANK

Hagerstown, Maryland.

Owner: Hagerstown Trust Company.

Date of Erection: 1814

Architect: Unknown.

Builder: Unknown.

Present Condition: Demolished.

Number of Stories: 2

Materials of Construction: Brick with wood trim.

Other Existing Records:

Additional Data: See following pages.

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22 HAGTO

## HAGERSTOWN BANK

## HAGERSTOWN, MARYLAND

In Westmoreland county, Virginia, there had been born ten years before Janathan Hager launched his settlement, one Nathaniel Rochester. After serving in the Revolution as a major of North Carolina militia, he moved to Hagerstown, built up a grist mill and nail and rope factories, and on March 12, 1807, he called a meeting of the leading residents "to determine the propriety of opening subscriptions" for a bank to serve the mechanical and agricultural interests of Western Maryland.

From that meeting grew the bank which only now, 129 years later, has come to an end. Of the original 10,000 shares of \$50, each, one-tenth were reserved for the uses of the State, 5,000 were allotted to Hagerstown, 2,000 shares came to Baltimore, and Frederick got 1,000 shares.

Rochester was the first president (at \$1,000 a year). The cashier, Elie Beatty, was paid \$500 a year and a bookkeeper, Rezin Davis, drew \$400 yearly. The president was instructed to set up in his own house a counter, two writing desks, and the necessary drawers and to secure an iron money chest in which to store the monies, books and papers of the bank. Two watchmen were paid \$85 a year and at night, one of them, armed with a musket, patroled between two sentry boxes.

The money chest, with its two clumsy locks and keys, a musket, and even an old grandfather's clock were preserved as relics in the bank until its close three years ago, at which time the clock had run almost continuously for over a hundred years.

In this fashion the Hagerstown Bank was launched with some misgivings, it seems probable, even upon the part of the founders. Banking houses were regarded with considerable suspicion in those times. In 1790 the Maryland Bank at Annapolis had become the first State chartered institution in Maryland, and it had waited for three months for its first depositor. In 1807, there were not over seventy banks in the entire United States.

The Hagerstown Bank, however, started more rapidly and by 1810 it was a going institution, its business being carried on, as in the beginning, at the home of President Rochester. In that year, Rochester's connection with the institution which was his brain-child was severed when he departed to New York State, there to found still another and more famous city which now bears his name.

Throughout the early days of this bank, it encountered the hazards common to all such institutions of the time. It was forced to advance the Government a loan of \$15,000 during the War of 1812, in return for which it was heckled by legislators in their constant quest for new taxes. In 1821, for instance, it was required to build a twelve-mile turnpike road from Boonesboro to Hagerstown before it was able to secure a renewal of its charter.

Before this, however, the Hagerstown Bank had moved into its new quarters — those which have just been unfeelingly ripped apart by contractors' workmen. This was in 1814. The new building, handsome for its day, was a single block, the wings which are familiar to those who have visited it in recent years having been added at a more recent date. It was confortably furnished, with a fireplace in the director's room, and adequate quarters for the transaction of its business.

The directors themselves were conscientious men, permitted by virtue of their position to borrow from the bank a maximum of \$4,500, of which not over \$500 might be advanced in any one month. Their stockholders and depositors placed confidence in them, and the cashier was ordered to furnish "a barrel of the best reotified spirits of rye for the use of the board".

As business flourished, so did the bank and Hagerstown was a busy metropolis, even as early as 1822. A writer reports of the city at that date that no less than forty-two stages -- from Wheeling, Washington, Philadelphia, Martinsburg, Winchester and nearer points -- arrived or departed from the city in each week.

Hostilities between the North and the South brought the severest test, for Washington county was a sort of no man's land and the uncertainties of the times strained the facilities of all banks to the utmost. The National Bank law of 1863 added to the burden and heavy taxes drove twenty-eight banks in the State out of business. From time to time during the early war years, the directors were forced to postpone meetings because of occupation of the town, but when General John McCausland arrived on July 6, 1864, at the head of 1,500 Confederate troops, consternation spread. McCausland was abrupt in his demands; \$20,000 cash and 1,500 complete suits of clothing or the town would be burned to the ground.

J. Dixon Roman, then the president of the bank, stepped into the breach. As negotiator with the Confederates, he secured a reduction in the clothing demand by pointing out that it was impossible to provide the quantity asked. The bank put up the money needed and when the Confederates left town all breathed more easily. When a week later, Chambersburg was destroyed by fire, all felt that the money had been well spent. Eventually, the city took over the bank's notes and for many years an item for the "McCausland debt" appeared on the local tax bill.

By 1890 the bank listed assets of \$485,000, and twenty years later its assets had mounted to \$2,000,000. It reached its peak after a merger in the last decade with the Maryland Surety Trust Company, when assets totaled \$8,000,000.

In 1932, amid celebration, the Hagerstown Bank marked its one hundred and twenty-fifth anniversary. A year later, its career as a bank ended, since which the building has been used to house various county and city activities and private enterprises. Under a reorganization plan after the 1933 bank holiday, the Hagerstown Trust Company was formed but the building was doomed. Already, workmen have been called to erect a modern store building on the ancient site.

The Baltimore Sun February 23, 1936.